

**MEMORANDUM OF UNDERSTANDING  
BETWEEN THE GOVERNMENTS OF THE UNITED STATES OF AMERICA  
AND THE KINGDOM OF NEPAL**

Representatives of the Governments of the United States of America and the Kingdom of Nepal met in Washington, D.C. on July 11-12, 2000, and agreed to extend the bilateral textile agreement effected by the exchange of notes on December 2, 1993 and July 22, 1994, as amended and extended by the following: a) exchange of notes dated April 18, 1996, and April 30, 1996; and b) memoranda of understanding dated November 6, 1996 and June 20, 1997. As a result of these consultations, the representatives agreed to the following:

1. To extend the bilateral agreement, as amended and extended by the exchange of notes dated April 18, 1996 and April 30, 1996; and by memoranda of understanding dated November 6, 1996 and June 20, 1997, for four years beginning from January 1, 2001 through December 31, 2004. Each full "agreement period" shall be a twelve-month period from January 1 of a given year until December 31 of that year.
2. The specific limits for categories of textile and apparel products subject to the agreement will be as follows:

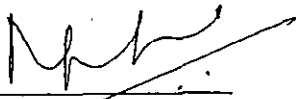
<u>Category</u>	<u>Unit</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>
336/636	Dozens	306,848	325,259	344,775	365,462
340	Dozens	402,896	427,070	452,694	479,856
341	Dozens	1,119,397	1,186,561	1,257,755	1,333,220
342/642	Dozens	351,638	372,736	395,100	418,806
347/348	Dozens	907,501	961,951	1,019,668	1,080,848
363	Numbers	8,206,100	8,698,466	9,220,374	9,773,596
369-S	Kilograms	1,012,958	1,043,347	1,074,647	1,106,886
640	Dozens	202,775	214,942	227,839	241,509
641	Dozens	457,208	484,640	513,718	544,541

3. Special carryforward flexibility for category 347/348 up to 6% will be available for the 2000 agreement year.

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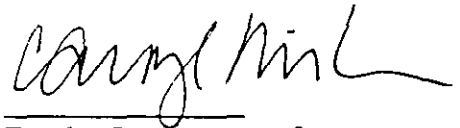
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4. Special swing into category 347/348 up to 9%, to be calculated based upon the base of category 347/348, will be available, provided that a corresponding reduction in square meters equivalent is made in any other category during the same agreement period.
5. The provisions of this Memorandum of Understanding shall be effective upon signature.



For the Government of  
the Kingdom of Nepal

July 13, 2000



For the Government of  
the United States of America